

Special Task Force on UW Restructuring and Operational Flexibilities

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Recommendations of the UW System for Operational Efficiencies

Procurement

The University of Wisconsin System and its institutions spent \$482 million in Fiscal Year 2011 on goods and services used in classrooms, research environments, public meeting spaces and staff offices. The types of goods and services needed to operate a campus are complex and extensive. Private sector businesses have been optimizing their supply chains to reduce costs and improve efficiencies and the UW System wants to further pursue this direction.

The UW System believes purchasing processes can be streamlined, making the process quicker and reducing the state's costs. The UW System is seeking a level of procurement decision making authority more consistent with UWS spending levels. The UW System was granted high levels of authority in other areas, such as \$1 billion in gifts, grants and contracts authority or the \$5 billion in budgetary authority. Under Act 32 the UW System will have \$50,000 in decision making authority to enter into one individual new service contract, which comparatively is a low level of authority.

CURRENT LAW

Under Wisconsin Statutes 16.71 Purchasing; powers, the Department of Administration holds the authority to purchase and delegate purchasing authority.

PROPOSAL

1. Vest responsibility with the Board of Regents under Wisconsin Statutes Chapter 36, to make all purchasing decisions for the UW System institutions.
2. If a mandatory state contract exists, a UW institution must purchase from said contract unless it can demonstrate that the purchase is available at a lesser cost.
3. The Board of Regents agrees to extend all UW contracts to DOA, state agencies and other governmental and educational entities whenever authorized to do so.

In moving authority to the University System, make a fundamental shift from relying on a DOA pre-award process to a post-award audit process in order to:

- 1) still give the state appropriate oversight of expenditures;
- 2) reduce the state's costs associated with the purchasing process;
- 3) deliver contracts to businesses more quickly; and
- 4) deliver goods and services more quickly and at a lower cost to students, faculty and staff
- 5) allow universities to support their local communities and businesses

OUTCOMES

Streamlining the purchasing process would speed up contracting and reduce costs for the state. A university purchasing process would retain the statutory principles of competitive procurements while maintaining accountability to the legislature. Decision making would reside closer to those who understand the nature of the goods and services needed in a particular university department. Delegation and accountability structures would continue and the UW System would remain accountable through annual reporting to the legislature.